

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Suspension or)
Revocation of the License to Conduct)
Gambling Activities of:)
)
Alma, LLC, d/b/a O'Callahans,)
Lakebay, Washington,)
)
Licensee.)
_____)

No. CR 2014-01213

**NOTICE OF ADMINISTRATIVE
CHARGES AND OPPORTUNITY
FOR ADJUDICATIVE PROCEEDING**

I.

The Washington State Gambling Commission issued O'Callahans, organization number 00-20709, the following license:

- Number 05-20305, Authorizing Class "C" Punchboard/Pull-Tab activity.

The license expires on September 30, 2014, and was issued subject to the licensee's compliance with state gambling laws and regulations.

II.

David Trujillo, Director of the Washington State Gambling Commission, charges the licensee with the following violations of the Washington State Gambling Act, 9.46 RCW, and WAC Title 230:

SUMMARY:

Alma, LLC, d/b/a O'Callahans, failed to pay required gambling taxes to Pierce County.

FACTS:

- 1) On June 20, 2014, a Washington State Gambling Commission Special Agent (agent) was assigned O'Callahans' license file because Pierce County petitioned the Commission to take action against their license. Commission staff received an affidavit from the County indicating the licensee failed to make required gambling tax payments totaling \$20,180.16 and requesting the Commission revoke or suspend O'Callahans' license.
- 2) On December 23, 2013, Commission staff sent a letter to the licensee requesting they contact the County to resolve the matter of the delinquent gambling taxes.
- 3) On June 17, 2014, Commission staff sent a second letter to the licensee again requesting they contact the County to resolve the matter of the delinquent gambling taxes. In addition, the letter put O'Callahans on notice that their license could be suspended or revoked.

4) The affidavit documented the County's attempts to collect the past due gambling taxes owed, as follows:

- July 2011 – Pierce County Budget and Finance (B&F) discovered that O'Callahans had started offering pull-tab games approximately three years earlier.
- July 13, 2011 – B&F forwarded correspondence to O'Callahans that included a declaration of intent, a gambling tax return and a copy of the Pierce County code regarding gambling taxes.
- March 2012 – O'Callahans began making monthly payments.
- August 2013 – O'Callahans stopped making monthly payments.
- August 7, 2013 – B&F received a letter from O'Callahans requesting abatement of all penalties and interest.
- September 11, 2013 – B&F sent correspondence to O'Callahans advising that the County code did not allow for abatement of such penalties and interest. B&F advised O'Callahans to continue with the monthly payments.
- October 14, 2013 – B&F left a phone message for O'Callahans, as no payment had been received.
- November 12, 2013 - B&F left a phone message for O'Callahans, as no payment had been received.
- November 20, 2014 – B&F sent correspondence to Commission staff asking for assistance.
- January 2014 – O'Callahans made several past due payments for the months of August, September, October and November 2013. However, B&F returned these payments because they did not include penalties and interest.
- February 4, 2014 – A B&F representative spoke with Greg Calahan, owner of O'Callahans. B&F instructed Mr. Calahan how to calculate the interest and penalties properly.
- February 5, 2014 – B&F received the corrected gambling tax amounts for August, September, October and November 2013.
- March 6, 2014 – B&F mailed a letter to O'Callahans requesting regular payments on the remaining delinquent taxes. No response was received.
- March 26, 2014 – B&F left a phone message for Mr. Calahan. No return call was received.

- May 2, 2014 – O’Callahans submitted payment for past due taxes from February and March 2014. B&F returned this payment, as it was missing the interest and penalties.
- May 27, 2014 – O’Callahans resubmitted the payment for February and March 2014 with the correct penalties and interest. This payment was accepted by B&F.
- As of June 2014, O’Callahans still owes past due gambling taxes and penalties for the periods May 2009 through December 2011. The total due to Pierce County is \$20,180.16.

VIOLATIONS:

1) RCW 9.46.075 Denying, suspending, or revoking of a license, or permit

Provides that the commission may deny an application, or suspend or revoke any license or permit issued by it, for any reason or reasons, it deems to be in the public interest. These reasons shall include, but not be limited to, cases wherein the applicant or licensee, or any person with any interest therein:

(The following subsections apply.)

(1) Has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by chapter 9.46 RCW and any amendments thereto, or any rules adopted by the commission pursuant thereto, or when a violation of any provision of chapter 9.46 RCW, or any commission rule, has occurred upon any premises occupied or operated by any such person or over which he or she has substantial control.

(8) Fails to prove, by clear and convincing evidence, that he, she or it is qualified in accordance with the provisions of this chapter.

2) WAC 230-03-085 Denying, suspending, or revoking a license or permit

We may deny, suspend, or revoke any application, license or permit, when the applicant, licensee, or anyone holding a substantial interest in the applicant's or licensee's business or organization:

(The following subsections apply.)

(1) Commits any act that constitutes grounds for denying, suspending, or revoking licenses or permits under RCW 9.46.075.

(3) Has demonstrated willful disregard for complying with ordinances, statutes, administrative rules, or court orders, whether at the local, state, or federal level.

(4) Has failed to pay gambling taxes to local taxing authorities and the local taxing authority has petitioned us to take action.

The licensee's failure to make tax payments for the periods of May 2009 through December 2011, demonstrates its willful disregard for complying with local ordinances. Therefore, grounds exist to suspend or revoke O'Callahans' license under RCW 9.46.075(1), and (8) and WAC 230-03-085(1), (3) and (4).

III.

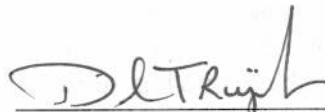
Jurisdiction of this proceeding is based on 9.46 RCW, Gambling, chapter 34.05 RCW, the Administrative Procedure Act, and WAC Title 230.

You have the right to a hearing. To have a hearing, or to settle the case, the Gambling Commission must receive the hearing request form back from you within 23 days. After we receive this form, we will call you about settlement options. If you do not return the form on time, your license will be revoked. (RCW 34.05.440.)

IV.

I have read this Notice of Administrative Charges and Opportunity for an Adjudicative Proceeding, know the contents of it, believe it to be true, and have executed this Notice in my capacity as Director of the Washington State Gambling Commission.

Dated 7/9/2014



DAVID TRUJILLO, DIRECTOR

STATE OF WASHINGTON)
COUNTY OF THURSTON)

I certify I have this day served a copy of the document upon all parties of record in the proceeding by mailing a copy, properly addressed with postage prepaid, by regular and certified mail to each party to the proceeding or his or her attorney or authorized agent.

Dated at Olympia, Washington this 10 day of July, 2014

